

ATTORNEYS &
GOVERNMENT
RELATIONS
CONSULTANTS

*Frank J. Kelley
Dennis O. Cawthorne
Patrick H. McCollough
Steven D. Weyhing
David Gregory*

GOVERNMENT
RELATIONS
CONSULTANTS

*Rob Elhenicky
Dave Ladd
Melissa Yutzey
Mia D. McNeil*

PROPERTY MANAGEMENT ASSOCIATION OF MICHIGAN: LEGISLATIVE COMMITTEE REPORT

April of 2009

I. INTRODUCTION OF NEW BILLS – STATUS

- Drug Eviction Reform (2 bills). SB 1068 and SB 1372 from 2007-08. We have met with Sen. Garcia regarding double-blue backs and re-introduction of these bills.
- Eviction for committing acts of violence. This should be drafted as a stand-alone bill. Was previously part of the drug eviction package. We have met with Sen. Garcia's office regarding ordering a separate bill draft.
- Entry of premises for a Deceased Tenant. This bill would allow a property manager to re-take the premises of a deceased tenant under limited circumstances (no appointed representative; rent not paid, etc.). Florida has passed similar legislation. We recently met with Rep. Pam Byrnes and her staff/central policy staff is reviewing the issue for potential introduction.
- Service of Process Reform. Rep. Green is currently working on draft language at the request of a PMAM member company. The Michigan Supreme Court previously suggested that we seek a legislative change rather than a court rule change. That administrative order, however, misstated the law.

II. PRIORITY BILLS & ISSUES

- **SB 0185 of 2009 Housing; landlord and tenants; early lease termination; allow for certain victims of domestic assault.** Amends 1972 PA 348 (MCL 554.601 - 554.616) by adding sec. 1b. Last Action: 02/03/2009 - REFERRED TO COMMITTEE ON ECONOMIC DEVELOPMENT AND REGULATORY REFORM. UPDATE: PMAM and KC participated in the most recent work group meeting on February 16, 2009. This meeting produced the most recent draft (S-1/Draft A) which continued to improve the bill by removing the lease mandate and replacing it with a tenant notice option.

- **HB 4211 of 2009 Housing; landlord and tenants; 30-day notice of foreclosure of property**; require. Amends 1978 PA 454 (MCL 554.631 - 554.641) by adding sec. 10a.
Last Action: 02/11/2009 - printed bill filed 02/11/2009. Last Action: SUBSTITUTE VERSION PASSES HOUSE; ON 03/18/2009 – BILL REFERRED TO SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS REFERRED TO COMMITTEE ON INTERGOVERNMENTAL & REGIONAL AFFAIRS. UPDATE: KC worked in conjunction with other housing groups to have bill successfully amended to remove the lease mandate. Bill now provides a tenant notice option. House version opens to door to other problematic issue on damages. See Attachment A.
- **HB 4251 of 2009 Housing; landlord and tenants; requirement for landlord to provide a means for solid waste disposal to tenants being evicted**; establish. Creates new act. Last Action: 02/17/2009 - printed bill filed 02/12/2009. REFERRED TO INTER-GOVERNMENTAL & REGIONAL AFFAIRS COMMITTEE.

III. HOUSING BILLS

- **SB 0086 of 2009 Housing; landlord and tenants; landlord notification procedure for tenant repairs and maintenance; clarify**. Amends 1972 PA 348 (MCL 554.601 - 554.616) by adding sec. 1c.
Last Action: 01/27/2009 - REFERRED TO COMMITTEE ON JUDICIARY
- **SB 0169 of 2009 Housing; landlord and tenants; lead-contaminated soil**; require landlord notification to tenants. Amends 1978 PA 454 (MCL 554.631 - 554.641) by adding sec. 4a.
Last Action: 02/03/2009 - REFERRED TO COMMITTEE ON JUDICIARY
- **HB 4024 of 2009 Housing; landlord and tenants; inventory checklist; provide for tenant right to be present**. Amends sec. 8 of 1972 PA 348 (MCL 554.608). Last Action: 02/04/2009 - REASSIGN TO COMMITTEE ON INTERGOVERNMENTAL AND REGIONAL AFFAIRS.
- **HB 4681 of 2009. Income tax; credit; credit for the purchase and installation of certain energy efficient property and participation in a net metering program; provide for**. This bill would provide an income tax credit of 20% of the cost of installation of net metering equipment for residential and rental property up to a maximum of \$500. Amends 1967 PA 281 (MCL 206.1 - 206.532) by adding sec. 254. Last Action: 03/26/2009 – REFERRED TO HOUSE ENERGY & TECHNOLOGY COMMITTEE.

- **HB 4801 of 2009. Housing; inspection; rental housing inspection programs; expand to include rental mobile homes.** Amends sec. 7 of 1987 PA 96 (MCL 125.2307). Bill would allow local governments to require licensure and inspection of “rental” mobile homes at an interval of no longer than 4 years. Last Action: 04/22/2009 – REFERRED TO HOUSE INTERGOVERNMENTAL AFFAIRS COMMITTEE.
- **Medical Marijuana Rules.** Last fall, the possession of medical marijuana was legalized via a ballot proposal. The Department of Community Health (“DCH”) recently issued rules regarding the obtaining of a license to possess medical marijuana. The general consensus is that both the law and the new implementing rules many legitimate questions and concerns unanswered.

IV. CIVIL PROCEDURE BILLS

- **HB 4033 of 2009 Civil procedure; foreclosure;** 1-year moratorium on residential mortgage and land contract foreclosures; make applicable to MSHDA mortgages and land contracts. Amends secs. 48d, 49 & 49i of 1966 PA 346 (MCL 125.1448d et seq.). TIE BAR WITH: HB 4034'09 Last Action: 01/27/2009 - REFERRED TO BANKING AND FINANCIAL SERVICES.
- **SB 0032 of 2009S Civil procedure; evictions;** eviction after foreclosure; require 90-day notice of eviction to tenants. Amends secs. 3208 & 5714 of 1961 PA 236 (MCL 600.3208 & 600.5714) & adds sec. 3108. Last Action: 01/27/2009 - REFERRED TO COMMITTEE ON JUDICIARY
- **SB 0033 of 2009 Civil procedure; foreclosure; lease of foreclosed property;** provide that lease continues after property is foreclosed, and provide notice of foreclosure to tenants. Amends secs. 3130, 3208 & 3236 of 1961 PA 236 (MCL 600.3130 et seq.) & adds sec. 3108. Last Action: 01/27/2009 - REFERRED TO COMMITTEE ON JUDICIARY.

ATTACHMENT A

HB-4211, As Passed House, March 17, 2009

SUBSTITUTE FOR

HOUSE BILL NO. 4211

A bill to amend 1978 PA 454, entitled

"Truth in renting act,"

(MCL 554.631 to 554.641) by adding section 10a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 10A. (1) A RENTAL AGREEMENT MAY CONTAIN A PROVISION
THAT

A LANDLORD SHALL NOTIFY A TENANT OF ANY FORECLOSURE
ACTIONS BEING

TAKEN AGAINST THE PROPERTY WITHIN 30 DAYS AFTER THE PERIOD
OF

REDEMPTION HAS BEGUN AND AGAIN AT LEAST 30 DAYS BEFORE
THE

CONCLUSION OF THE PERIOD OF REDEMPTION. IF THE RENTAL
AGREEMENT

DOES NOT CONTAIN SUCH A PROVISION, THE LANDLORD SHALL
POST WRITTEN

NOTICE REASONABLY VISIBLE TO THE TENANT IN THE LANDLORD'S
PROPERTY

MANAGEMENT OFFICE THAT NOTIFIES THE TENANT OF HIS OR HER
RIGHT TO

RECEIVE NOTICE THAT THE PROPERTY IS IN FORECLOSURE AT THE
TIMES

SPECIFIED IN THIS SUBSECTION OR DELIVER WRITTEN NOTICE OF
THE

TENANT'S RIGHT TO RECEIVE NOTICE THAT THE PROPERTY IS IN

FORECLOSURE AT THE TIMES SPECIFIED IN THIS SUBSECTION WHEN
THE

LEASE AGREEMENT IS SIGNED. A LANDLORD WHOSE PROPERTY IS IN

FORECLOSURE SHALL DELIVER NOTICE TO THE TENANT THAT THE
PROPERTY IS

IN FORECLOSURE AT THE TIMES SPECIFIED IN THIS SUBSECTION.
NOTHING

IN THIS SECTION SHALL ALLOW THE TENANT TO WITHHOLD HIS OR
HER

RENTAL OBLIGATION BECAUSE OF RECEIPT OF THE REQUIRED
NOTICE.

(2) A LANDLORD WHO LEASES A PROPERTY TO A TENANT DURING
THE

PERIOD OF REDEMPTION OF THAT PROPERTY SHALL GIVE WRITTEN
NOTICE TO

THE TENANT BEFORE THE LEASE IS ENTERED INTO THAT THE
PROPERTY HAS

BEEN FORECLOSED ON. THE WRITTEN NOTICE SHALL NOTIFY THE
POTENTIAL

TENANT OF THE NUMBER OF DAYS REMAINING IN THE REDEMPTION
PERIOD.

(3) THIS SECTION ONLY APPLIES TO RENTAL AGREEMENTS
ENTERED

INTO ON AND AFTER THE EFFECTIVE DATE OF THE AMENDATORY
ACT THAT

ADDED THIS SECTION.

(4) A LANDLORD WHO VIOLATES THIS SECTION IS LIABLE TO THE

TENANT FOR DAMAGES AND IS RESPONSIBLE FOR A CIVIL
INFRACTION AND IS

LIABLE FOR A FINE OF NOT MORE THAN \$500.00.